

**A REGULAR MEETING
OF
THE PUBLIC SERVICE COMMISSION**

1. A Regular Meeting was called to order by Chair Dallas Winslow in the Hearing Room, 861 Silver Lake Boulevard, Dover, Delaware, on Tuesday, July 16, 2013, at 1:00 p.m. with the following Commissioners in attendance: Jeffrey Clark, Joann Conaway, and Jaymes Lester.

The following Staff members were in attendance: Alisa Bentley, Julie Donoghue, Esquire, Robert Howatt and Octavia Woodard.

2. CONSENT AGENDA ITEMS:

Commissioner Clark moved to adopt the following Consent Agenda items.

- a. IN THE MATTER OF THE REVISION OF THE TERRITORY MAPS TO RECOGNIZE THE ANNEXATION OF ONE PARCEL OF LAND INTO THE BOUNDARIES OF THE ELECTRIC SERVICE TERRITORY OF THE TOWN OF SMYRNA, NEW CASTLE COUNTY, DELAWARE (FILED JUNE 12, 2009) - PSC DOCKET NO. 09-251

Commission to consider Staff Memorandum and Order No. 8416.

- b. IN THE MATTER OF THE REVISION OF THE TERRITORY MAPS TO RECOGNIZE THE ANNEXATION OF ONE PARCEL OF LAND INTO THE BOUNDARIES OF THE ELECTRIC SERVICE TERRITORY OF THE CITY OF SEAFORD, SUSSEX COUNTY, DELAWARE (FILED MARCH 18, 2011) - PSC DOCKET NO. 11-165

Commission to consider Staff Memorandum and Order No. 8417.

- c. IN THE MATTER OF THE REVISION OF THE TERRITORY MAPS TO RECOGNIZE THE ANNEXATION OF ONE PARCEL OF LAND INTO THE BOUNDARIES OF THE ELECTRIC SERVICE TERRITORY OF THE CITY OF SEAFORD, SUSSEX COUNTY, DELAWARE (FILED APRIL 11, 2011) - PSC DOCKET NO. 11-212

Commission to consider Staff Memorandum and Order No 8418.

- d. IN THE MATTER OF THE REVISION OF THE TERRITORY MAPS TO RECOGNIZE THE ANNEXATION OF ONE PARCEL OF LAND INTO THE BOUNDARIES OF THE ELECTRIC SERVICE TERRITORY OF THE CITY OF NEW CASTLE, NEW CASTLE COUNTY, DELAWARE (FILED

JULY 25, 2012) - PSC DOCKET NO. 12-369

Commission to consider Staff Memorandum and Order No. 8419.

- e. IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFF (FILED JUNE 27, 2013) – PSC DOCKET NO. 13-76-06
-

Commission to consider Staff Memorandum and Order No. 8415.

- f. IN THE MATTER OF THE APPLICATION OF CINEMARK USA, INC. FOR AUTHORITY TO ABANDON INTRASTATE INTEREXCHANGE PAYPHONE SERVICES WITHIN THE STATE OF DELAWARE (FILED MARCH 14, 2013 AND AMENDED ON JUNE 24, 2013) - PSC DOCKET NO. 13-107
-

Commission to consider Staff Memorandum and Order No. 8409.

- g. IN THE MATTER OF THE APPLICATION OF BIRCH COMMUNICATIONS OF THE NORTHEAST, INC. D/B/A BIRCH COMMUNICATIONS FOR THE APPROVAL TO PARTICIPATE IN FINANCING ARRANGEMENTS (FILED MAY 31, 2013 AND AMENDED ON JUNE 20, 2013) - PSC DOCKET NO. 13-218
-

Commission to consider Staff Memorandum.

- h. IN THE MATTER OF THE APPLICATION OF COMMERCIAL & INDUSTRIAL ENERGY SOLUTIONS, LLC FOR A CERTIFICATION TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (FILED JUNE 10, 2013) - PSC DOCKET NO. 13-233
-

Commission to consider Staff Memorandum and Order No. 8413.

- i. IN THE MATTER OF THE JOINT APPLICATION OF LIGHTYEAR NETWORK SOLUTIONS, LLC AND BIRCH COMMUNICATIONS OF THE NORTHEAST, INC. D/B/A BIRCH COMMUNICATIONS FOR THE APPROVAL OF A TRANSFER OF ASSETS AND CUSTOMERS OF LIGHTYEAR NETWORK SOLUTIONS, LLC TO BIRCH COMMUNICATIONS OF THE NORTHEAST, INC. D/B/A BIRCH COMMUNICATIONS (FILED JUNE 20, 2013) - PSC DOCKET NO. 13-247
-

Commission to consider Staff Memorandum.

Commissioner Conaway seconded the motion; the motion carried unanimously.

3. REGULAR AGENDA ITEMS:

- a. IN THE MATTER OF THE TARIFF FILING BY VERIZON DELAWARE LLC FOR ITS ANNUAL APPLICATION OF THE PRICE CAP FORMULA IN ACCORDANCE WITH SECTION 707 (B) OF THE TELECOMMUNICATIONS TECHNOLOGY INVESTMENT ACT (FILED APRIL 3, 2013) – PSC DOCKET NO. 13-004
-

Julie Donoghue, Deputy Attorney General and Jim Strong appeared on behalf of Staff.

Ruth Ann Price appeared on behalf of Division of the Public Advocate.

Shari Smith and Bonnie Metz, Esquire appeared on behalf of Verizon Delaware LLC.

Ms. Donoghue stated that Verizon is requesting approval of the aggregation of the price adjustment factor, which totals \$93,000 for the year 2012. Ms. Donoghue noted that Staff has reviewed the annual pricing report and recommends the Commission approve the report. Ms. Donoghue notes that the company is also liable for payment of interest on this amount according to the Commission's regulations.

Ms. Smith commented that Verizon had reviewed and agrees with the proposed order.

A motion was made by Commissioner Conaway and seconded by Commissioner Lester to adopt Order No. 8412, the motion carried unanimously.

A verbatim transcript was made of the proceeding.

- b. IN THE MATTER OF THE JOINT APPLICATION OF CAVALIER TELEPHONE MID-ATLANTIC, LLC, INTELLIFIBER NETWORKS, INC., MCLEODUSA TELECOMMUNICATIONS SERVICES, LLC, PAETEC COMMUNICATIONS, INC., TALK AMERICA, INC., US LEC OF PENNSYLVANIA, LLC, WINDSTREAM COMMUNICATIONS, INC., WINDSTREAM KDL, INC., AND WINDSTREAM CORPORATION FOR APPROVAL OF A TRANSACTION THAT WOULD RESULT IN THE TRANSFER OF CONTROL TO WINDSTREAM HOLDINGS, INC. (FILED MAY 10, 2013 AND AMENDED JUNE 5, 2013) - PSC DOCKET NO. 13-192
-

Julie Donoghue, Deputy Attorney General and Jim Strong appeared on behalf of Staff.

Ruth Ann Price appeared on behalf of the Division of the Public Advocate.

Ms. Donoghue stated there were a number of telecom companies involved in this matter requesting the authority to participate in an intracorporate reorganization. Ms. Donoghue noted that due to a change in the law, the Commission has no jurisdiction for this particular transaction.

As part of the application, there is one item of note. There was a company that claims it acquired another company. The Commission does not allow or does not interpret the Delaware Code to allow such transfers of CPCNs, so the company has applied for a CPCN.

A motion was made by Commissioner Lester and seconded by Commissioner Clark to adopt Order No. 8420; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

c. IN THE MATTER OF THE APPLICATION OF CHESAPEAKE UTILITIES CORPORATION FOR APPROVAL OF THE ISSUANCE OF LONG-TERM DEBT (FILED JUNE 17, 2013) – PSC DOCKET NO. 13-242

Julie Donoghue, Deputy Attorney General appeared on behalf of Staff.

Ruth Ann Price appeared on behalf of the Division of the Public Advocate.

Sarah Hardy and Elio Battista Jr., Esquire on the behalf of Chesapeake Utilities Corporation.

Ms. Donoghue stated that this application by Chesapeake Utilities is for the approval of issuance of up to \$70 million dollars of unsecured long-term debt securities. Ms. Donoghue noted that certain conditions were added to the proposed order in order to approve and clarify that it is not to be used for rate-making purposes.

She read the conditions: (a) Chesapeake's Delaware Division may not construe this approval as a ratemaking treatment for future case filings; (b) within 30 days of the closing of the issuance of the \$50 million of long-term debt, the Company must file copies of its fully executed note agreement for this application with the Commission; (c) Chesapeake must obtain the prior approval of its Board of Directors before the issuance of the additional \$20 million; and (d) Chesapeake must obtain any additional necessary approvals from the Maryland and/or Florida Public Service Commission and comply with all applicable federal securities laws.

Mr. Battista responded that the company has reviewed the memorandum, confirmed the accuracy and will comply with the proposed order.

Ms. Price commented that the DPA has no objections.

A motion was made by Commissioner Conaway and seconded by Commissioner Lester to adopt Order No. 8414; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

There was no further business and the meeting adjourned at approximately 1:12 p.m.

4. DIRECTOR'S COMMENTS:

- a. Robert Howatt made note that John Farber will be having another meeting on V2G (electric vehicles) July 26, 2013, at 9:00 a.m. in the Hearing Room. He also mentioned that House Bill 26 has amended PSC's jurisdiction with respect to telecommunications. The PSC will have no authority over customer service and will no longer receive its annual assessment, as the annual assessment is now funding the Broadband Fund. He noted that Staff member Connie McDowell is working on updating the PSC Administrative Code. Finally, he announced that Staff and Starion (certified retail supplier) will be meeting tomorrow in relation to their solicitation and Docket No. 49 (3rd party requirements).

Respectfully submitted,

/s/ Alisa Carrow Bentley
Secretary